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DATE FILED: 4/6/07

UNITED STATES DISTRICT COURT FOR  
THE SOUTHERN DISTRICT OF NEW YORK

LAURI COHEN BADER,

Plaintiff,

v.

MICHAEL AINSLIE, JOHN F. AKERS,  
ROGER S. BERLIND, THOMAS H.  
CRUIKSHANK, MARSHA JOHNSON  
EVANS, RICHARD FULD, JR., SIR  
CHRISTOPHER GENT, ROLAND A.  
HERNANDEZ, HENRY KAUFMAN, JOHN  
D. MACOMBER, and LEHMAN  
BROTHERS HOLDINGS INC.,

Civ. No. 06 CV 5884

Defendants.

**FINAL ORDER APPROVING SETTLEMENT**

**WHEREAS**, the above captioned action (the “Action”) is presently pending before this Court;

**WHEREAS**, the Court, by order dated February 9, 2007, preliminarily approved: (1) the Settlement set forth in the Stipulation of Settlement dated as of January 10, 2007 as modified by the parties through the Modification dated February 1, 2007 (together, the “Stipulation”), and (2) the form and manner of Notice to the record and/or beneficial owners of Lehman Brothers Holdings, Inc. Common Stock as of February 12, 2007 (“Lehman Shareholders”);

**WHEREAS**, this matter came before the Court for hearing on the motion of the Parties for final approval of the Settlement on April 5, 2007, with due and adequate

notice having been provided to the Lehman Shareholders, and the Court having considered all papers filed and proceedings had herein, and good cause appearing, therefore,

**IT IS HEREBY ORDERED, ADJUDGED AND DECREED that:**

1. This Order and Final Judgment incorporates by reference the definitions in the Stipulation, and all terms used herein shall have the same meanings set forth in the Stipulation.

2. This Court has jurisdiction over the subject matter of this Action and over all parties thereto.

3. Pursuant to Rule 23.1 of the Federal Rules of Civil Procedure and other applicable law, this Court hereby finally approves the Settlement in all respects, as set forth in the Stipulation, and finds that said Settlement is fair, reasonable and adequate (procedurally and substantively) to Lehman and its shareholders in light of the complexity, expense, duration and uncertainties of litigation. The Court further finds the Settlement is the result of arms' length negotiations between experienced counsel. The Settling Parties are hereby directed to consummate the Settlement in accordance with the terms of the Stipulation.

4. The Action and all claims asserted therein are dismissed with prejudice.

5. Upon the Effective Date, all Released Claims (as defined in the Stipulation) shall be released against all Released Parties (as defined in the Stipulation).

6. The Settling Defendants and each of their respective successors, predecessors, assigns, attorneys, heirs, representatives, legatees, devisees, administrators, executors, and estates, by operation of this Order and Judgment, release and forever

discharge any and all claims, rights and causes of action, whether based on federal, state, local, foreign or any other law, rule or regulation (including unknown claims) that were, could have been, or might be asserted in any form or forum against Plaintiff or Plaintiff's Counsel in connection with or that exist, or could have existed, or may arise in connection with or relate to the institution, prosecution or settlement of any and all claims asserted in the Action.

7. The parties are to bear their own costs, except as otherwise provided in the Stipulation.

8. All Persons are permanently and forever barred and enjoined from filing, commencing, instituting, prosecuting or maintaining, either directly, indirectly, representatively or in any other capacity, any derivative claim, against any of the Released Parties arising out of, based upon or relating to the transactions and occurrences referred to in the facts and allegations contained in the Action. All such claims and actions are hereby extinguished, satisfied and unenforceable.

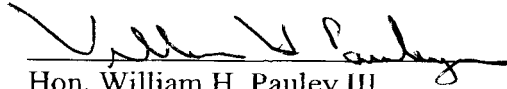
9. The Notice given to Lehman Shareholders satisfied the requirements of Rule 23.1 of the Federal Rules of Civil Procedure.

10. Neither the Stipulation nor the Settlement contained herein, nor any act performed or document executed pursuant to or in furtherance of the Stipulation or the settlement: (a) is or may be deemed to be or may be used as an admission of, or evidence of, the validity of or lack of validity of any Released Claim or of any wrongdoing or liability of any of the Parties; (b) is or may be deemed to be or may be used as an admission of, or evidence of, any fault or omission of any or all of the Parties in any civil, criminal or administrative proceeding in any court, administrative agency or other

tribunal; and/or (c) is or may be alleged or mentioned in any litigation or other action unrelated to the enforcement of the Stipulation. Notwithstanding the foregoing, the Defendants may file the Stipulation and/or this Order and Final Judgment in any action that may be brought against them in order to support a defense or counterclaim based on principles of *res judicata*, collateral estoppel, release, good faith settlement, judgment bar or reduction or any other theory of claim preclusion or issue preclusion or similar defense or counterclaim.

IT IS SO ORDERED.

Dated: April 7, 2007

  
Hon. William H. Pauley III